

To the Members of the California State Assembly:

I am returning Assembly Bill 1107 without my signature.

This bill would allow workers who lost their job as a result of the drought conditions of this past June to receive weekly wages of \$200 without impacting their weekly unemployment insurance benefit amount. While I am supportive of the concept of this measure, any increase in unemployment benefit payments would negatively impact the fragile Unemployment Insurance Trust Fund. California is currently experiencing a high unemployment rate that is already stressing the Fund and any increase in unemployment benefits further contributes to Fund inadequacies. It is essential that we ensure the Fund is able to continue to provide benefits to those in need as we work to stimulate the economy and get more individuals back to work.

Further, the fact that drought conditions have led to increased unemployment in agriculture and other industries is more evidence of why California needs to enact a comprehensive water reform package immediately. California has needed water reform for decades, and the failure to address the state's needs has led us to where we are today. If we had enacted comprehensive water reform twenty, or even ten, years ago, we could have avoided the loss of jobs and disruption to business that this drought is causing. The failure to enact comprehensive water reform hurts employers and employees in agriculture and other industries, slows development and business growth, and negatively impacts the environment.

The impact of our water crisis on jobs and our economy will continue to grow unless we act immediately. Even if the current drought abates, the court-ordered restrictions on the Delta will continue to impact industries that rely heavily on a readily available water supply. I am again calling on the Legislature to work with me to place a comprehensive water bond on the ballot.

For these reasons, I am returning AB 1107 without my signature.

Sincerely,

Arnold Schwarzenegger